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EXAMINER

HAMILTON, LALITA M

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6

7
8 *Ex parte* KENNETH G. MILLER,
9 JOHN G. DESMOND,
10 THOMAS J. FOTH,
11 MICHAEL P. SWENSON,
12 JOHN H. WINKELMAN, and
13 ANDREI OBREA
14

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16 Appeal 2009-006887
17 Application 10/721,640
18 Technology Center 3600
19

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21 Decided: May 12, 2010
22

23
24 Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and
25 ANTON W. FETTING, *Administrative Patent Judges*.
26 FETTING, *Administrative Patent Judge*.

27 DECISION ON APPEAL
28

1 STATEMENT OF THE CASE

2 Kenneth G. Miller, John G. Desmond, Thomas J. Foth, Michael P.
3 Swenson, John H. Winkelman, and Andrei Obrea (Appellants) seek review
4 under 35 U.S.C. § 134 (2002) of a final rejection of claims 1-29, the only
5 claims pending in the application on appeal.

6 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b)
7 (2002).

8 SUMMARY OF DECISION¹

9 We AFFIRM.

10 THE INVENTION

11 The Appellants invented an early bill payment process for the electronic
12 payment of bills that are in a physical mail stream (Specification ¶ 001).

13 An understanding of the invention can be derived from a reading of
14 exemplary claim 1, 5, 11, 14, 15, 19, 21, 24, and 28, which are reproduced
15 below [bracketed matter and some paragraphing added].

16 1. A method for enabling a bill recipient to pay their bill to a
17 creditor, the method comprising the steps of:

18 (a) giving one or more bills in the form of one or more mail
19 pieces to a bill recipient;

¹ Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed March 28, 2008) and the Examiner's Answer ("Ans.," mailed June 13, 2008), and Final Rejection ("Final Rej.," mailed November 15, 2007).

- 1 (b) placing a code by a creditor on one or more bills that
2 references the bill recipient, the bill recipient's account number
3 and amount due on a face of the mail piece;
4 (c) mailing the bill by the bill recipient;
5 (d) scanning by the post the code on the mail piece before the
6 mail piece is delivered to the creditor;
7 (e) creating an electronic funds transaction for the amount
8 indicated in the code between the bill recipient's bank account
9 and the creditor's bank account; and
10 (f) transferring funds from the bill recipient's bank account to
11 the creditor's bank account.

12
13 5. The method claimed in claim 1, further including the step of:
14 indicating on the mail piece after funds have been transferred to
15 the creditor's bank account from the bill recipient's bank
16 account that the bill has been paid.

17
18 11. The method claimed in claim 1, wherein the code placed by
19 the creditor indicates the minimum amount that is due.

20
21 14. The method claimed in claim 13, further including the step
22 of:
23 placing an indication on the bill by the bill recipient that
24 indicates the amount greater than the minimum amount that is
25 due is going to be paid.

26
27 15. A method for a carrier to initiate payment of a bill by a bill
28 recipient to a creditor, the method comprising the steps of:
29 (a) delivering a billing mail piece from a creditor to a bill
30 recipient, the billing mail piece including a bill and a bill-
31 paying return mail piece;
32 (b) receiving the bill-paying return mail piece mailed by the bill
33 recipient, the bill-paying return mail piece having a code

1 printed thereon that identifies at least one of the bill recipient
2 and the bill recipient's account number and an amount due on
3 the face of the mail piece;
4 (c) scanning the code on the bill-paying return mail piece before
5 the mail piece is delivered to the creditor; and
6 (d) initiating an electronic funds transaction for the amount
7 indicated in the code from the bill recipient's bank account to
8 the creditor's bank account.

9
10 19. The method claimed in claim 15, wherein step (d)
11 comprises: indicating on the bill-paying return mail piece after
12 funds have been transferred to the creditor's bank account from
13 the bill recipient's bank account that the bill has been paid.

14
15 21. The method claimed in claim 15, wherein the code
16 references a record in a data base that contains the bill
17 recipient's bank account, amount due, the account being paid,
18 and the second code represents the physical location of the bill
19 recipient.

20
21 24. The method claimed in claim 15, wherein the code indicates
22 that an electronic funds transaction will take place.

23
24 28. The method claimed in claim 27, further including the step
25 of:

26 placing an indication on the bill by the bill recipient that
27 indicates the amount greater than the minimum amount that is
28 due is going to be paid.

29

30 THE REJECTIONS

31 The Examiner relies upon the following prior art:

Delfer, III et al. US 5,496,991 Mar. 5, 1996

Pintsov	US 5,586,036	Dec. 17, 1996
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Claims 1-29 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Delfer and Pintsov.

ISSUES

The issue of whether the Examiner erred in rejecting claims 1-29 under 35 U.S.C. § 103(a) as unpatentable over Delfer and Pintsov turns on whether the Appellants have provided a rationale that distinguishes the prior art from the claimed invention.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to the Prior Art

Delfer

01. Delfer is directed to a system and method for automated remittance of payments from consumers to vendors (Delfer 1:13-15). Delfer is concerned with the ineffective billing processes between vendors and consumers (Delfer 1:21-25).

02. Delfer describes a remittance system that utilizes approval cards, which signify a consumer's pre-authorization for a billing service provider to electronically transfer funds from the

1 consumer's account to appropriate vendors' accounts (Delfer 4:1-
2 14). Consumer payment transaction data base files are generated
3 for the transfer and contain unique consumer identification
4 information include the consumer's bank and vendor's bank
5 (Delfer 4:15-29).

6 03. The bill remittance system has two standard forms: one form is
7 a standard statement for debits and credits and any messages,
8 advertisements, or similar information, and the second form is a
9 remittance document or a consumer pre-authorized funds transfer
10 document (Delfer 4:50-60). The remittance document is either a
11 form returnable within a windowed envelope provided in the
12 original bill mailer or it is returned directly if it is supplied to the
13 consumer in the form of a postcard (Delfer 4:66-67 and 5:1-3).
14 Once the bills are prepared, they are mailed to the consumers for
15 action (Delfer 5:52-56). The remittance document's indicium is
16 scanned for verification against the unique current billing
17 indicium in the consumer payment transaction data base files to
18 establish the authenticity of the remittance documents (Delfer
19 5:63-67). The electronic funds transfer transactions are initiated
20 by transmitting the transaction information (Delfer 6:31-32). The
21 host depository enters the national EFT (Electronic Funds
22 Transfer) or similar network and activates the ACH (Automatic
23 Cash Handling) or equivalent system for each consumer and
24 vendor, thereby transferring the desired funds (Delfer 6:42-49).

25 *Pintsov*

1 04. Pintsov is directed to a postage payment system for delivery of
2 mail and parcels where the charges for the delivery and/or any
3 special services are invoiced to the mailer by a carrier such as a
4 postal service or private delivery service (Pintsov 1:8-12).

5 05. Pintsov describes a method where a bill is received in either
6 hard copy or electronically (Pintsov 8:25-28). If the bill is
7 received in hard copy, the bill is scanned (Pintsov 8:28-30). The
8 billing data is then encrypted and verified (Pintsov 8:33-35).
9 After verification, payment by the mailer may be done by
10 electronic funds transfer (Pintsov 8:39-40).

11 06. Pintsov also describes that a mail piece is imprinted with
12 several data blocks that are reserved to store several pieces of
13 information, including a block indicating the destination of the
14 mail piece (Pintsov 6:32:58). Error detection codes are computed
15 to be printed on the mail piece to provide additional levels of
16 redundancy for automatic scanning and processing of mail to
17 verify the entry and printing of consistent data by the mailer
18 (Pintsov 8:11-24).

19 *Facts Related To The Level Of Skill In The Art*

20 07. Neither the Examiner nor the Appellants have addressed the
21 level of ordinary skill in the pertinent art of electronic mail
22 handling systems. We will therefore consider the cited prior art as
23 representative of the level of ordinary skill in the art. *See Okajima*
24 *v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he
25 absence of specific findings on the level of skill in the art does not

1 give rise to reversible error ‘where the prior art itself reflects an
2 appropriate level and a need for testimony is not shown’”)
3 (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755
4 F.2d 158, 163 (Fed. Cir. 1985).

5 *Facts Related To Secondary Considerations*

6 08. There is no evidence on record of secondary considerations of
7 non-obviousness for our consideration.

8 PRINCIPLES OF LAW

9 *Obviousness*

10 A claimed invention is unpatentable if the differences between it and
11 the prior art are “such that the subject matter as a whole would have been
12 obvious at the time the invention was made to a person having ordinary skill
13 in the art.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007); *Graham*
14 *v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

15 In *Graham*, the Court held that that the obviousness analysis is
16 bottomed on several basic factual inquiries: “[(1)] the scope and content of
17 the prior art are to be determined; [(2)] differences between the prior art and
18 the claims at issue are to be ascertained; and [(3)] the level of ordinary skill
19 in the pertinent art resolved.” *Graham*, 383 U.S. at 17. *See also KSR*, 550
20 U.S. at 406. “The combination of familiar elements according to known
21 methods is likely to be obvious when it does no more than yield predictable
22 results.” *KSR*, 550 U.S. at 416.

ANALYSIS

*Claims 1-29 rejected under 35 U.S.C. § 103(a) as unpatentable over
Delfer and Pintsov*

The Appellants first contend that (1) Delfer and Pintsov fail to describe limitations (d), (e), and (f) of claims 1 (App. Br. 14 and 16). We disagree with the Appellants. Limitation (d) requires scanning a code on the mail piece. Limitation (e) requires creating an electronic funds transfer for the amount indicated in the code, where the electronic transfer is between the bill recipient's bank account and the creditor's bank account. Limitation (f) further requires the actual transferring of funds.

First, the Examiner has not relied on Delfer to describe limitation (d) and has not relied on Pintsov to describe limitations (e) and (f). Therefore these arguments are not found persuasive because the Appellants are attacking the references separately, even though the rejection is based on the combined teachings of the references. Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See In re Merck & Co. Inc.*, 800 F.2d 1091, 1097, 231 USPQ 375, 380 (Fed. Cir. 1986).

Delfer describes a system that provides consumers with pre-approval cards (FF 02). The pre-approval cards set up the authorization for an electronic funds transfer (FF 02). Consumer payment transaction data base files are generated for the electronic funds transfer and contain unique information for consumer's banks and vendor's banks to complete the funds transfer (FF 02). Once verification of the indicium or code on a bill remittance is completed, funds an electronic funds transfer occurs (FF 02-

1 03). As such, Delfer describes the steps of creating an electronic funds
2 transaction and transferring funds as required by limitations (e) and (f)
3 respectively. Delfer further describes printing barcode information on to the
4 mail piece that contains the billing information and scanning the mail piece
5 (FF 03). This suggests that the mail piece includes a bar code that is capable
6 of being scanned by whatever the party the post happens to be² prior to
7 being received by the creditor.

8 Pintsov describes scanning the mail piece if it is received in hard copy
9 (FF 05-06). Pintsov also describes several data blocks are imprinted on a
10 mail piece (FF 05-06). Furthermore, each mail piece is scanned and
11 processed for data consistency (FF 05-06). This is done prior to receipt by
12 the creditor. As such, Pintsov describes limitation (d) of claim 1.

13 Therefore, the prior art describes the claimed invention. The Appellants
14 have only broadly contended that the prior art fails to describe limitations
15 (d), (e), and (f) (App. Br. 14) and have failed to provide any further rationale
16 as to how the claimed invention is distinguished from the prior art. As such,
17 we do not find the Appellants' conclusory arguments persuasive.

18 The Appellants also contend that (2) a person with ordinary skill in the
19 art would not have been led to combine the references and the reasonable
20 expectation of success must stem from the prior art itself (App. Br. 15). We
21 disagree with the Appellants. Delfer is concerned with ineffective billing
22 processes between consumers and vendors (FF 01). Delfer solves this
23 problem by describing a remittance system that utilizes pre-approval cards

² It is unclear what party "the post" recited in the claims is meant to be. This term is not used in the Specification. As such, we take the term to refer to

1 that facilitate the transfer of funds between consumers and vendors. Pintsov
2 is also concerned with billing, specifically postage payments, and solves this
3 problem by describing a postage payment system that uses data blocks to
4 rapidly imprint and processing mail pieces, including the processing of
5 delivery charges for the mail pieces (FF 05-06). Both Delfer and Pintsov are
6 concerned with the electronic transfer of funds between consumers and
7 vendors and are therefore in the same field of endeavor. A person having
8 ordinary skill in the art would have recognized the benefit increasing the
9 efficiency of data verification and validation by imprinting data blocks on a
10 mail piece. That is, a person having ordinary skill in the art would have
11 recognized the benefit of imprinting data blocks that can be scanned on the
12 remittance mail pieces sent to vendors and consumers. As such, a person
13 having ordinary skill in the art would have been lead to combine Delfer and
14 Pintsov with a reasonable expectation of success. The Appellants fail to
15 provide any further rationale as to why a person with ordinary skill in the art
16 would not have been motivated to combine the prior art. As such, the
17 Appellants' broad argument is not found persuasive.

18 With respect to the Appellants argument that the reasonable expectation
19 of success must stem from the prior art, we also disagree. A discussed
20 *supra*, a person having ordinary skill in the art would have understood the
21 benefits of combining the prior art and would have take the creative steps to
22 do so to gain these known advantages. "[T]he analysis need not seek out
23 precise teachings directed to the specific subject matter of the challenged

whoever performs the scanning of the code on the mailpiece.

1 claim, for a court can take account of the inferences and creative steps that a
2 person of ordinary skill in the art would employ”. *KSR*, 550 U.S. at 418.

3 The Appellants additionally contend that (6) Delfer and Pintsov fail to
4 describe limitations (a), (c), and (d) of claim 15 (App. Br. 16). The
5 Appellants specifically contend that Delfer and Pintsov fail to describe
6 limitation (a). We disagree with the Appellants. Limitation (a) requires
7 delivering a billing mail piece from a creditor to a bill recipient, where the
8 billing mail piece includes a bill and a bill-paying return mail piece. Delfer
9 explicitly describes delivering a bill to a bill recipient (FF 02-03). The bill
10 has two forms: credits and debits form and a remittance form (FF 03). The
11 remittance document can be a form returnable within a windowed envelope
12 provided in the original bill mailer (FF 03). As such, Delfer explicitly
13 describes that consumers bill recipients can pay their bills via a carrier using
14 a returnable envelope as required by limitation (a). Again, the Appellants
15 have not provided any further rationale as to how the claimed invention is
16 distinguished from the prior art and therefore the Appellants’ arguments are
17 not found persuasive. Limitation (c) is broader than limitation (e) of claim 1
18 since it does not limit that the scan must be performed by the post.
19 Limitation (d) is the same as limitation (f) of claim 1. Appellants’ argument
20 that Delfer and Pintsov fail to describe these limitations is not persuasive for
21 the same reasons discussed *supra* since limitations (c) and (d) are the same
22 or broader than limitations (e) and (f) of claim 1.

23 The Appellants also contend that (8) Delfer and Pintsov fail to describe
24 indicating the physical location of the bill recipient on a second code, as per
25 claim 21 (App. Br. 17). We disagree with the Appellants. Delfer describes
26 that after bills are prepared they are mailed to the bill recipients (FF 03). In

1 order for a bill to be mailed to a recipient, there must be an indication of the
2 physical location of the recipient coded on to the mail piece. Additionally,
3 Pintsov explicitly describes several data blocks imprinted on a mail piece,
4 where specifically block 102 of Fig. 1 is the physical location of the mail
5 recipient (FF 06). As such, Delfer and Pintsov describe the limitations of
6 claim 21. The Appellants have not provided any further rationale as to how
7 the claimed invention is distinguished from the prior art and therefore the
8 Appellants' argument is not found persuasive.

9 The Appellants further contend that (3) Delfer and Pintsov fail to
10 describe indicating on a mail piece that funds have been transferred to the
11 creditor's bank account indicating that the bill has been paid and delivering
12 the mail piece to the recipient, as per claims 5 and 6 respectively (App. Br.
13 15), (4) Delfer and Pintsov fail to describe the placing of codes on the face
14 of a mail piece that indicates the amounts that are due, as per claims 11-13
15 (App. Br. 15), (5) Delfer and Pintsov fail to describe placing an indication
16 on the bill by the bill recipient that indicates the amount greater than the
17 minimum amount that is due is going to be paid, as per claim 14 (App. Br.
18 16), (7) Delfer and Pintsov fail to describe indicating on the face of a
19 returned mail piece that the bill has been paid, as per claims 19 and 20 (App.
20 Br. 17), (9) Delfer and Pintsov fail to describe the placing of codes for when
21 the electronic funds transaction will take place, the minimum amount due,
22 the entire amount due, and an amount greater than the minimum amount is
23 due on the face of a mail piece, as per claims 24-27 (App. Br. 17), and (10)
24 Delfer and Pintsov fail to describe an indication on the bill by the bill
25 recipient that indicates the amount greater than the minimum amount that is
26 due is going to be paid, as per claim 28 (App. Br. 18). The Examiner

1 responds that Delfer describes indicating an amount due on the face of a
2 mail piece, which is the same as describing any amount required including a
3 minimum amount, a total amount, and an amount greater than a minimum
4 amount (Ans. 7). We disagree with the Appellants. Claims 5-6, 11-13, 14,
5 19-20, 24-27, and 28, as argued by the Appellants, require imprinting on the
6 mail piece an indication of code that represents the status of the bill and
7 transfer of funds. As discussed *supra*, Delfer describes indicating an amount
8 owed in the code on the face of the mail piece (FF 02-03). This amount
9 owed can be any value, including the minimum amount, a total amount, and
10 an amount greater than the minimum. Delfer also describes that the bill
11 includes the balances of debits and credits, which indicates whether a bill
12 has been paid (FF 02-03). The Appellants have not provided any further
13 rationale as to how the claimed invention is distinguished from these
14 findings of the Examiner. As such, the Appellants' argument is not found
15 persuasive.

16 The Examiner did not err in rejecting claims 1-29 under 35 U.S.C.
17 § 103(a) as unpatentable over Delfer and Pintsov.

18 19 CONCLUSIONS OF LAW

20 The Examiner did not err in rejecting claims 1-29 under 35 U.S.C.
21 § 103(a) as unpatentable over Delfer and Pintsov.

22 23 DECISION

24 To summarize, our decision is as follows.

- The rejection of claims 1-29 under 35 U.S.C. § 103(a) as unpatentable over Delfer and Pintsov is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

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